



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 27, 2014

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From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position on Legislation**

- **AB 1677 (Gomez).** This measure would establish a competitive student loan assumption program for qualified individuals who agree to work full-time, for four consecutive years as a clinical registered nurse or licensed vocational nurse in a public health facility, including a county hospital. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to recruit and retain nurses, physicians, and allied health professionals to work for providers who serve primarily poor or medically uninsured patients who rely on the medical safety net system for health care in medically underserved areas, **the Sacramento advocates will support AB 1677.**
- **AB 2052 (Gonzalez).** This measure would extend certain workers' compensation presumptions to all employees who meet the statutory definition of a peace officer. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose additional costs related to expansion of workers' compensation benefits for presumptive illnesses, **the Sacramento advocates will oppose AB 2052.**

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- **SB 1234 (Block).** This measure would extend Labor Code 4850 disability benefits to additional employees who meet the statutory definition of a peace officer. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose legislation that mandates eligibility of additional employees for safety workers' compensation benefits or safety retirement benefit provisions, **the Sacramento advocates will oppose SB 1234.**
- **Status of County-Sponsored Legislation**
  - **County-sponsored SB 1089 (Mitchell).** This measure, related to Medi-Cal reimbursements for in-patient hospital services for detained juveniles, passed the Senate Health Committee on March 26, 2014.
- **Status of County-Advocacy Legislation**
  - **County-supported SB 1014 (Jackson).** This measure, which would, among other provisions, enact the Home-Generated Pharmaceutical Waste Collection and Disposal Act to provide for the collection and disposal of home-generated pharmaceutical waste, passed the Senate Environmental Quality Committee on March 26, 2014.

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### **Pursuit of County Position on Legislation**

**AB 1677 (Gomez),** which as amended on March 17, 2014, would establish a competitive student loan assumption program for qualified individuals who agree to work full-time, for four consecutive years as a clinical registered nurse or licensed vocational nurse in a public health facility including: 1) a State hospital; 2) a State-operated veterans home; 3) a facility operated by the Federal Veterans Health Administration; 4) a health care district facility; or 5) a facility that is a member of the California Association of Public Hospitals and Health Systems.

Under AB 1677, the student loan assumption program would be phased-in over a seven-year period beginning in FY 2015-16 and continuing through FY 2021-22. The bill appropriates \$48.0 million in State General Funds which would be allocated incrementally throughout this seven-year period. Up to 200 loan assumption awards would be granted each fiscal year. Priority would be given to applicants who: 1) possess a baccalaureate degree at the time of the initial application; 2) are enrolled in an accelerated program for licensing as a registered nurse or vocational nurse; or

3) are recipients of Federally-subsidized student loans or need-based student loans. Eligible participants would receive up to \$15,000 in student loan assistance upon completion of one year of full-time employment, and a total of up to \$60,000 upon completion of four years of full-time employment at a qualified public health care facility.

According to the Department of Health Services (DHS), AB 1677 would provide incentives to encourage more students to enter the nursing profession which would help the County recruit registered nurses and licensed vocational nurses to work at DHS facilities. DHS notes that Los Angeles County is the second largest provider of health care in the nation and serves over 800,000 patients annually. DHS indicates that access to well-trained nursing staff is critical to meeting the health care needs of the County's residents including those who have become eligible for health care coverage under the Federal Affordable Care Act, and for those remaining uninsured who must rely on the County's health care safety net.

This office and the Department of Health Services support AB 1677. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to recruit and retain nurses, physicians, and allied health professionals to work for providers who serve primarily poor or medically uninsured patients who rely on the medical safety net system for health care in medically underserved areas, **the Sacramento advocates will support AB 1677.**

AB 1677 is supported by the California Student Aid Commission. There is no registered opposition on file for this bill.

AB 1677 is scheduled for a hearing in the Assembly Higher Education Committee on April 1, 2014.

**AB 2052 (Gonzalez)**, which as introduced on February 20, 2014, would extend certain workers' compensation presumptions to all employees that fall under the statutory definition of a peace officer.

Current workers' compensation law designates illnesses and conditions that constitute a compensable injury for various employees, such as firefighters, sheriffs, and certain peace officers, when the illness develops during the officer's service time. AB 2052 would expand some of these presumptions, including those for cancer, bio-chemical exposure, tuberculosis and meningitis, to all employees that meet the statutory definition of a peace officer.

The Chief Executive Office Risk Management Branch (CEO-RMB) reports that AB 2052 would expand workers' compensation presumptions benefits to a large number of County employees, including probation officers, welfare fraud investigators, child support investigators, coroners and deputy coroners. CEO-RMB indicates that this mandated expansion of benefits would notably increase workers' compensation liabilities and costs to the County. CEO-RMB indicates that these presumptions are currently extended to sworn personnel of the Fire and Sheriff departments. In FY 2012-13, there were 100 claims evaluated, and a total of \$916,000 of benefits has been paid to date. CEO-RMB estimates that the total liabilities to the County for these claims is \$6.5 million, and notes that expanding the cancer presumption to probation officers alone would result in comparable increased costs. CEO-RMB expresses concerns that knowledge that a disease process is presumed work-related would likely increase the frequency of such claims. County Counsel concurs with CEO-RMB's concerns about AB 2052.

This office recommends an oppose position on AB 2052. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose legislation that expands existing or creates new presumptions related to injuries, illnesses, diseases, or physical conditions and that can be claimed as work-related for workers' compensation or service-connected disability retirement, **the Sacramento advocates will oppose AB 2052.**

There is currently no registered support or opposition on file for AB 2052. This measure is scheduled for hearing in the Assembly Insurance Committee on April 2, 2014.

**SB 1234 (Block)**, which as amended on March 24, 2014, would extend Labor Code 4850 disability benefits, special leaves of absence without loss of salary benefits, to additional employees who meet the statutory definition of a peace officer.

Existing law provides that certain peace officers, firefighters, and other specified State and local public employees are entitled to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of employment. The leave of absence is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system. SB 1234 would extend this leave of absence entitlement to certain employees with peace officer status who are not already covered by these provisions of current law.

The Chief Executive Office Risk Management Branch reports that SB 1234 would expand Labor Code 4850 (LC 4850) disability benefits, which are special work leave benefits for safety personnel and are equal to a one-year leave of absence without loss of salary in lieu of temporary disability payments. Under SB 1234, these benefits would

be expanded to a notable amount of additional County employees, including welfare fraud investigators, child support investigators, coroners and deputy coroners. CEO-RMB indicates that a mandated expansion of these benefits would notably increase workers' compensation liabilities and costs to the County. CEO-RMB notes that current law provides disability benefits at two-thirds of salary, while LC 4850 benefits provide benefits at full salary. CEO-RMB reports that this generally encourages longer periods of disability, increases service interruptions, and increases overtime use to address service reductions. County Counsel concurs with CEO-RMB's concerns about SB 1234.

This office recommends an oppose position on SB 1234. Therefore, unless otherwise directed by the Board, consistent with existing policy to oppose legislation that mandates eligibility of additional employees for safety workers' compensation benefits or safety retirement benefit provisions, **the Sacramento advocates will oppose SB 1234.**

This measure is sponsored by: the Peace Officers Research Association of California and supported by the California Applicants' Attorneys Association; California College and University Police Chiefs Association; California State Coroners' Association; Hacienda La Puente Unified School District Police Officers Association; Los Angeles School Police Association; San Bernardino Police Officers Association; San Diego School Police Officers Association; and Santa Clara County Park Rangers' Association.

SB 1234 is opposed by the California State Association of Counties; League of California Cities; Rural County Representatives of California; California Association of Joint Powers Authorities; California Coalition on Workers' Compensation; and Urban Counties Caucus.

SB 1234 is pending hearing in the Senate Appropriations Committee.

### **Status of County-Sponsored Legislation**

**County-sponsored SB 1089 (Mitchell)**, which as introduced on February 19, 2014, would make technical amendments to **County-sponsored AB 396 of 2011**, which allows counties and the California Department of Corrections and Rehabilitation to draw down Federal Medicaid matching funds to provide reimbursement for the medical treatment of detained juveniles who require in-patient hospital services, passed the Senate Health Committee, on consent, by a vote of 7 to 0 on March 26, 2014. This measure now proceeds to the Senate Appropriations Committee.

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### **Status of County-Advocacy Legislation**

**County-supported SB 1014 (Jackson)**, which as introduced on February 13, 2014, would enact the Home-Generated Pharmaceutical Waste Collection and Disposal Act which would: 1) require a producer of certain pharmaceuticals to submit a product stewardship plan for the disposal of home-generated pharmaceutical waste to the California Department of Resources Recycling and Recovery by July 1, 2015; and 2) define home-generated pharmaceutical drug waste as a prescription or over-the-counter human or veterinary drug that is waste and is derived from a household, including, but not limited to, a multi-family residence or household, passed the Senate Environmental Quality Committee, as amended, by a vote of 5 to 1 on March 26, 2014. This measure now proceeds to the Senate Business, Professions and Economic Development Committee.

We will continue to keep you advised.

WTF:RA  
MR:KA:IGEA:ma

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants